

# CALIFORNIA STRATEGIC SOURCING INITIATIVE (CSSI)

**At the Governor's direction, the Department of General Services (DGS) is leading the California Strategic Sourcing Initiative (CSSI).**

"Given our current fiscal crisis, we need to take full advantage of California's purchasing power to get the best service and the best products for the best price."

"...the State may realize savings of up to 15 percent per year on everything from laser printers to pharmaceuticals."

—Governor Arnold Schwarzenegger, from his June 24, 2004, California Strategic Sourcing Initiative press release.

## WHAT IS STRATEGIC SOURCING?

*Strategic Sourcing is a process designed to allow the State of California to purchase the best products and best services for the best value.*

*Using this purchasing approach, the buyer (California) analyzes what it's buying, what the market conditions are and, who can supply those goods or services. The buyer then uses that information—plus innovative contracting techniques—to find the best values available in the marketplace.*

*Strategic Sourcing streamlines procurement activities by consolidating, renegotiating and automating contracts to achieve significant savings.*

*Multiple contracts for the same goods or services, purchased by multiple State agencies, will be combined to leverage the State's buying power. This, along with implementing new purchasing tools, will save taxpayer dollars.*

## What are the benefits of Strategic Sourcing?

- Saves millions of dollars
- Streamlines departmental procurement efforts
- Provides proven procurement and technology methods
- Simplifies procurement
- Knowledgeable staff
- Develops new opportunities for small businesses and Disabled Veteran Business Enterprises (DVBES) to do business with the State
- Provides an automated purchasing system

**BEST SERVICES | BEST PRODUCTS | BEST VALUE**

The CSSI team anticipates savings in the following categories:

**Office Supplies**—*General office products, toner, and office paper.*

**Vehicles**—*E Class sedans (pursuit vehicles) and light vehicles.*

**Medical Related Goods**—*Pharmaceuticals, medical/surgical supplies.*

**Medical Related Services**—*Temporary staffing, hospital and laboratory testing services.*

**Office Equipment**—*Copiers and their service/maintenance agreements.*

**Wireless Equipment and Services**—*Wireless voice and data and wireless related equipment, including accessories.*

**Maintenance, Repair, and Operations (MRO) Supplies**—*Janitorial supplies, industrial supplies, tools, safety supplies, and HVAC.*

**IT Hardware/PC Goods**—*Desktop and workstations; printers; PC Servers; peripherals; and laptops.*

**IT Hardware/Enterprise Hardware**—*Enterprise servers and storage systems.*

## FREQUENTLY ASKED QUESTIONS

**Why is the State introducing Strategic Sourcing now?**—Strategic Sourcing has been under study for several years. The State's current fiscal crisis created a sense of urgency to explore ways to save money. Regardless of California's fiscal needs, Strategic Sourcing is a best practice in procurement management and makes good business sense for meeting the State's ongoing commitment to the taxpayers.

**Is Strategic Sourcing the same as "outsourcing?"**—No. The two terms are often confused, but they have significantly different meanings. Strategic Sourcing essentially means getting the best services and products for the best value. Outsourcing occurs when an organization transfers the performance of functions once administered in-house to other organizations that specialize in those functions.

**Does Strategic Sourcing change existing contracts with the State?**—All existing purchasing activities will be reviewed for savings opportunities. The CSSI has focused on a number of categories comprised of goods and services. Contracts for these categories of goods and services will most likely change.

**What is the commitment to small business and DVBE programs?**—California continues to maintain its commitment to small business and DVBE programs and existing participation levels. The State's specific approach to Strategic Sourcing keeps small business and DVBE program goals as an integral part of the project.

## Updates

For updates about the California Strategic Sourcing Initiative, log on to the Web site at: [www.pd.dgs.ca.gov/stratsourcing](http://www.pd.dgs.ca.gov/stratsourcing).

## Contact Information

For answers to additional questions about the California Strategic Sourcing Initiative, please e-mail [strategicsourcing@dgs.ca.gov](mailto:strategicsourcing@dgs.ca.gov) or call the CSSI Information Line toll-free at **1-866-885-8344**.

"We will save millions of dollars just by being smarter about how we buy things"  
—Governor Arnold Schwarzenegger

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